

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 838 - SB 827**

March 31, 2009

**SUMMARY OF BILL:** Adopts the federal minimum wage as the minimum wage of the state, but requires an automatic increase in the minimum wage in Tennessee if the U.S. Congress fails to increase the federal minimum wage for a period of five consecutive calendar years. The Department of Labor and Workforce Development (LWFD) would be responsible for calculating the state minimum wage based upon the percentage increase in the Consumer Price Index for the five year period of federal inaction. Provides employees with the right to recover the amount of unpaid wages plus damages and court costs for employer violations of the wage rate requirements.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – Not Significant**  
**Increase State Expenditures – Not Significant**

**Increase Local Revenue – Not Significant**  
**Increase Local Expenditures – Not Significant**

**Assumptions:**

- LWFD will not need additional personnel.
- LWFD will not be responsible for enforcing the provisions of the bill.
- LWFD will be responsible for adjusting the Tennessee minimum wage, if necessary, to comply with the provisions of this bill. Any increase in state expenditures to perform this function will be not significant.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenues are estimated to be not significant.
- According to the Department of Human Resources, the definition of “employer” does not include the State of Tennessee.

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**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/cce